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Better collaboration between China and New Zealand construction sectors key to tapping into a \$11 billion opportunity

Ahead of a conference looking to grow ties between New Zealand and Chinese construction sectors, a new survey has highlighted the extent of the opportunity with close to \$10.69 billion of work by Chinese owned developers forecast in this country over the next 8 years.

The survey by the New Zealand Chinese Building Industry Association (NZCBA) looked at investment by 26 property development companies over the last few years and asked submitters to forecast a future pipeline of work.

It found \$1.775 billion of projects by Chinese owned developers has been completed in New Zealand since 2010 with the bulk of that (84%) being in the residential sector and in Auckland (90%) while 12% of developments have been in the commercial sector and 4% in the industrial sector.

The survey shows that currently these companies have \$2.156 billion worth of projects underway, a list that includes the Park Hyatt Hotel on Auckland's waterfront by Fu Wah International and the \$300 million 690-unit Sugartree Apartments in Auckland CBD.

Looking forward over the next seven or eight years, according to the survey 2,565,000 m² of gross floor area (GFA) is planned equating to \$10.69 billion of investment, again, mainly in the residential sector.

It is this future pipeline of work that the NZCBA President Frank Xu says is so exciting and marks a huge opportunity for Kiwi companies to develop a pipeline of work.

“It’s no secret of the immense pressure on the construction sector in New Zealand at present to deliver new homes, office space, hotels and facilities to accommodate the population growth, all at a time when the industry is facing real constraints in labour and materials.”

“We’ve already seen casualties over the last year or so, most notable being Mainzeal Property, Ebert Construction, the Orange H Group and Arrow International. With margins being squeezed there is a constant need for developers to look for ways to improve productivity, and lower costs while maintaining quality and safe working environments. What the survey shows is now more than ever there exists an opportunity for partnerships and cooperation with Chinese companies in New Zealand to work with local industry to produce world class developments.”

“To facilitate this, we will again be hosting the NZ International Property and Building Expo & Summit this year to help build links, gain unique insights, share knowledge and most importantly inspire the innovation the sector needs.”



Last year the NZIBES attracted 120 major industry exhibitors and close to 10,000 visitors over three days. This year the event being held on 16th-18th August is expected to bring together even more companies and visitors under one roof.

Mr Xu says events like the conference are just the start of the industry collaboration required and changes to the regulatory frameworks are also key.

A significant step has been the signing of the Construction Sector Accord and the launching of public consultation on the proposed reforms in the current Building Act. According to Frank Xu, "these initiatives mark a much-needed sea-change in the mindset of the authorities. They signal a clear intent that they are serious about looking at the outdated legal provisions in the building codes such as those related to prefabricated and modular buildings, BIM etc. With some fresh thinking in this space, combined with more collaboration between China and New Zealand, and Chinese New Zealanders that there's every chance we can put this country's construction sector on a high growth path again."

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